

National budget 2007-08 takes effect

Govt braves the challenge to implement it

THE budget as proposed by finance and planning adviser Mirza Azizul Islam on June 7 received presidential assent on June 28 with minor modifications incorporated in it in what looks like partial response to points raised by various stakeholders through the internet and media. By virtue of an ordinance, the Tk 87,137 crore budget has taken effect from July 1. It is worth noting that the budget outlays, both revenue and development, revenue receipts and expenditure targets as envisaged in the original proposals remain unchanged.

Most of the changes relate to customs duties whilst there are some in VAT and income tax areas. The provisions for duty-free import of newsprint for newspaper industry, reduction of duty on computer and textile machinery together with retention of zero tariff on essentials like rice, wheat, edible oil, onion, lentils etc and fertilizer as a production input are welcome adjustments in the duty structure.

The finance adviser is for a three-pronged strategy to bring down prices: zero duty on imported essentials as enumerated above, replenishment of supplies by government procurement, mainly through import and raising the level of agriculture productivity and setting up of alternative markets. Simultaneously, one would like to see incentives given to new importers aimed at loosening the grip of a handful of importers on the market. Also it must be ensured in the interest of productivity that subsidies reach the poor farmers.

The protection of local industries is vital for employment generation. The adviser thinks that even though as a result of the budget-ary steps, the profitability of the local entrepreneurs will be somewhat reduced that by itself shouldn't be construed as a disincentive for the local industries. Let's not forget that the government looks upon the private sector as a big source of employment generation.

A net 17 percent increase in revenue collection has been targeted in the present budget. According to the NBR chief taxation procedures have been simplified and made more transparent. The discretionary powers of tax officials have been reduced. All these steps are likely to increase revenue collection, so he believes.

Significantly, two ongoing steps hold out a prospect for generating sizeable revenues. First, the government's offer to tax evaders to come forward and pay their dues at 5 percent rate of interest to legitimise their money by 31st July or else suffer penal rate should now be taken by the concerned persons seriously. Admittedly so far, the response has been lukewarm. Secondly, there is a good potential for revenue generation in the NBR's recent drive which has already netted 1800 tax-payers in Dhaka city. When the drive is expanded to cover the other cities and towns the tax net would be widely cast. The stashed away money being now recovered could also be a shot in the arm of our cash-strapped budget. We suggest a new head be opened for it with the figure made known to the public.

Garment workers' wages

Fully implement the tripartite agreement

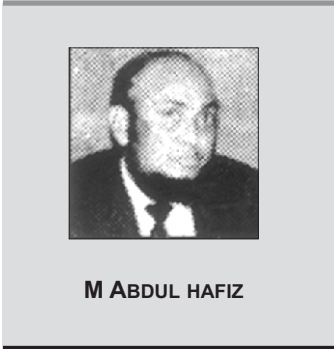
WITH the expiry of the deadline set by the government for implementing the tripartite agreement on the minimum monthly wage of Tk 1,662 for garment workers, it has been found by the BGMEA that 419 garment factories, out of 2420 across the country, have not introduced the new wages. Thus, a huge number of garment workers are yet to be benefited by the tripartite agreement signed following labour unrest in garment factories in May-June last year, which lead to deaths of workers and destruction of valuable assets of garment factories.

The owners' failure is doubly unacceptable because even the new wage structure, that was agreed upon by the parties concerned, had not been considered adequate, given the price hike of essentials. The owners agreed to introduce it, and it is not clear why more than 400 garment units have failed to implement the same. The BGMEA leaders have apparently taken the lenient view that the owners of the defaulting units have no dearth of sincerity; rather they are not financially strong enough to implement the agreement. We believe the workers' cause will be badly compromised if the BGMEA fails to take a firm stand on the wage issue. One can hardly overlook the fact that the monthly wage was downscaled from the workers' initial demand of Tk 3,000 per month, after the owners managed to prevail over the labour representatives. Now, there will be resentment among the workers if the same owners fail to go by their commitment.

Nobody wants the crucially important garment sector to be affected by any kind of disruption at a time when maximum productivity of the sector is needed to keep the national economy on the right track. The BGMEA leaders have promised negotiations with the defaulting units and adoption of follow-up measures in case of continuous non-compliance with the tripartite agreement. The BGMEA may have its own procedure of handling a situation, but it has to show due sensitivity to the workers' grievances and act quickly, particularly when more than 2,000 units have already implemented the agreement.

The government, as a party to the tripartite deal, has a role to play here. Obviously, it must prevent any slide to chaos in the sector and the best way to keep things under control is to give the workers their due -- the minimum wage.

The dilemma in combating climate change

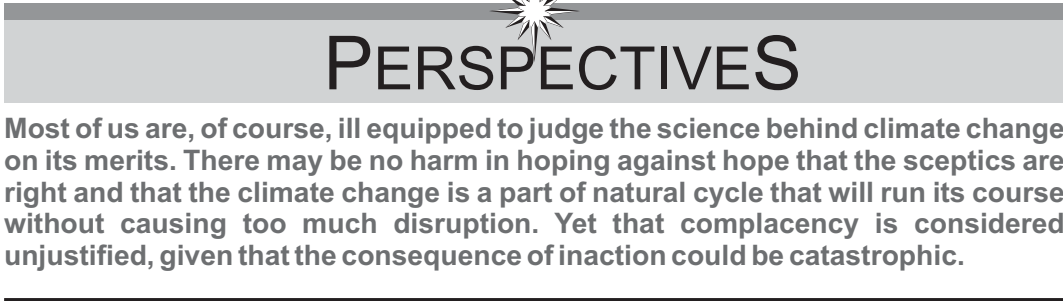


M ABDUL HAFIZ

ILL recently the folk who went around with placards that displayed "The end is nigh" were dismissed as people off their nuts. Their prediction of imminent doom was taken sceptically. Respectable scientists all over the world are now echoing their warnings.

Indeed, there is growing consensus among them that the Earth is heating up at a faster rate than was hitherto thought, and that the underlying cause was a rapid increase in carbon-dioxide emissions, which is a direct result of profligate human activity. Unless the trend is immediately reversed, all sorts of dire consequences lie ahead for our planet and its inhabitants.

Worse, these consequences are expected to manifest themselves not in an indefinite future but within the next few decades. The worst-case scenario envisages a large-scale annihilation of life forms by the end of the century. If the self-destructive species known as Homo sapiens survives, its manner of existence will bear no resemblance to the way it lives today.



Most of us are, of course, ill equipped to judge the science behind climate change on its merits. There may be no harm in hoping against hope that the sceptics are right and that the climate change is a part of natural cycle that will run its course without causing too much disruption. Yet that complacency is considered unjustified, given that the consequence of inaction could be catastrophic.

Even the relatively less drastic predictions involve a rise in the sea level that will swallow up thousand of islands and a large swathe of coastal areas, and rearrange the coastal contours of all continents.

It will bring in its wake-increased floods, droughts, and other forms of extreme climatic events, involving repercussions such as crop failure and consequent mass migration. Even a fraction of these grim forecasts would entail urgent action on a global scale. Yet, ten years after the Kyoto protocol, the extremely modest targets it set for the control of emissions remain unmet.

The world's single largest polluter, the United States, which opted out of the protocol, has only lately been suggesting that it wishes to be a part only of post-Kyoto arrangements. In all likelihood, such an arrangement might not be in place until 2012, when the Kyoto protocol expires.

During the past year, however, there has been considerable movement towards accepting the basic premise of climate change. Many a sceptic now sees a light of realisation at the end of the tunnel.

This purportedly includes even George Bush, a persistent naysayer on climate issue. It's a significant departure from a situation that existed until earlier this year.

Till then, the US officials were being accused of intimidating and censoring climate scientists in government agencies. The American Enterprise, a conservative think-tank funded by Exxon Mobil, reportedly offered \$10,000 for each article that was critical of the crucial report by the United Nation's Inter-Governmental Panel on Climate Change (IPCC).

Also, George Bush has floated the baloon of climate change negotiation -- a parallel to the UN process. Luckily, several governments as well as environmental groups rejected the Bush initiative and termed it as a delaying tactic. Tony Blair, the former British prime minister, however, hailed the UN process as an "important step forward" on the issue of global warming.

In an interview with The Guardian on the eve of G-8 summit at Heiligendamm, Blair confidently asserted his ability to convince Bush on the subject. He

apparently tried, and put on a brave face, describing the inclusion of climate change in the G-8 declaration variously as a "huge step forward" and as a "major, major step forward." But, given the document's tenor, it's hard to concur with that optimistic conclusion. It speaks only of a non-specific commitment to "taking strong and early action."

Few believe that the US will go out of its way to reduce emissions as long as Bush is in the White House. It's also not likely that his successor will be very enthusiastic about combating global warming, because it will involve sacrificing a good number of short-term benefits at national level.

Bush made it clear at the G-8 summit that his country wouldn't be party to any agreement unless China and India signed it as well. The US insistence emanates from its fear that if it agrees to abide by emission controls and China, in particular, doesn't, it will enhance the latter's competitive edge.

On the face of it, the concern is genuine -- not least because China is expected in due course to overtake the US as the largest polluter on earth. However, it

wouldn't be surprising to find China opposed to equivalent restriction on the ground that the US, Japan and Western Europe weren't encumbered by any such regulation at a comparable stage of their development.

The theories of climate change were for long dismissed as an anti-developmental leftwing conspiracy, and the curbs imposed by Kyoto would interfere with productivity and profitability of the industries in the West which, along with Australia, refused to ratify the Kyoto protocol.

The production of energy by burning fossil fuels is the main culprit which causes the greenhouse effect, and the recent converts to the cause of combating global warming now tend to focus on cleaner technology, meaning nuclear energy. But in that case the problems of nuclear waste disposal, and the risk of accidental meltdowns, seem to have been underplayed.

Alternatives such as solar power and wind farms haven't been sufficiently explored because they require huge investments and offer, at best, delayed returns. Had a serious exploration of these technologies been launched, say, half a century back, it could be possible to arrest the global warming and avoid all the oil wars fought so far.

Now, at this stage, the dangerous prospect is that the neo-liberal elite, which has co-opted the argument about global warming, will also appropriate the prerogative of managing the

solutions. If the predicted effects of climate change begin to manifest themselves with increasing frequency and fury in the years ahead, the developed world's immediate interests will take precedence.

While the poorer countries, whose contribution to the greenhouse effect has been miniscule, will bear the brunt of nature's wrath -- even though the planet's fate is effectively indivisible in ecological terms.

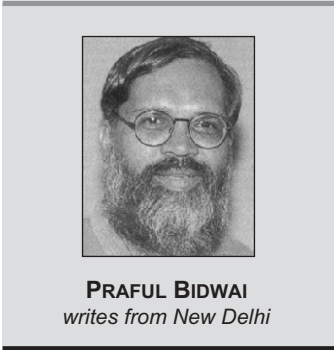
In the meantime, overt scepticism about the human role in global warming hasn't altogether vanished. A diminishing band of rightwing commentators continues to harp on the conspiracy angle.

Their doubts are shared by an even tinier concentration of critics on the left, who suspect that much of the alarm has been whipped up with a vested interest in alarmism, as it keeps the grant flowing, and is now being sustained by corporations that have realised that the growing penchant for green solutions can be milked for profit.

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Brig (ret'd) Hafiz is former DG of BISS.

Impressive achievements, but some flaws



PRAFUL BIDWAI
writes from New Delhi

INDIA'S Left Front has completed 30 years in power in West Bengal -- a monumental achievement. Never before had a political alliance, leave alone an ideologically driven coalition, governed any Indian state for so long.

Nowhere else in the world have Communist parties won free and fair elections to rule a country, or a province the size of West Bengal (population 80 million), consecutively for three decades. This reaffirms the relevance of the Left's policies and its consummate commitment to democracy.

The LF's long West Bengal tenure can't be attributed to manipulative politics. The Left parties, led by the Communist Party (Marxist), Communist Party of India, Forward Bloc and Revolutionary Socialist Party, have sunk deep roots among the masses.

Last year's assembly elections, probably the most tightly monitored in India, conclusively disproved the charge that rigging was responsible for the Front's success. It won 235 of 294 seats

A disturbing aspect of West Bengal's reality is starvation deaths among the workers of tea gardens. In Jalpaiguri, the health department recorded 571 starvation deaths in 15 months. Informal estimates put the total since 2002 at 3,000 deaths. This is a shameful blot on the Front's record. Yet another dark spot is the Front's failure of inclusion in respect of religious minorities. Muslims form 25.2 per cent of the state's population. But their proportion in government employment is an abysmal 2.1 per cent, even lower than Gujarat's 5.4. This represents the downside of the LF's record of protecting the minorities against violence.

against a robust opposition.

The LF's achievements are many and impressive. The greatest include land reform -- the most successful outside Kerala -- an unblemished record of communal harmony, relatively clean, stable, governance, advanced panchayati raj institutions, and above all, politicisation and empowerment of the masses.

Operation Barga, which gave 2.3 million cultivators tenancy rights, accounts for more than one-half of the total acreage transferred under land reforms in India.

Only slightly less impressive are the high increases in crop yields, and urban renewal, that occurred under the LF. The Front has transformed dilapidated Kolkata into a flourishing metropolis.

W Bengal's performance in some social sectors is creditable: A210 percent increase in literacy, and a halving of the infant-mortality ratio. Its urban poverty ratio is 14.8 per-cent, well below the national average (25.7 per-cent).

However, the Front's record in

some other respects is middling or poor. Public spending and access to health have stagnated. Some indicators -- immunisation, nutrition among women, and the number of doctors and hospital beds per lakh people -- are below the national average. West Bengal hasn't opened a single new primary-health centre in a decade.

The rural poverty ratio annually declined by 2.24 percentage-points between in 1983 and 1993. But the decline has now slowed down to 1.15 points. Today, the rural poverty ratio (28.6 per cent) is slightly above the national average.

West Bengal has also generated the least amount of work under the National Rural Employment Guarantee -- a mere 14 person-days per family, in place of the national average (43) and the promised 100 days annually.

Worse, the percentage of rural households not getting "enough food" is highest in West Bengal (12 percent), almost double that in Orissa/Assam.

An alarming indicator is the

number of school dropouts. At 9.61 lakhs, this figure is even higher than it is in Bihar (6.96 lakhs). Of India's 24 districts with more than 50,000 out-of-school children, 9 are in West Bengal. No less embarrassing is the rate of suicides (15,015), the highest among all states in 2005.

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Clearly, West Bengal hasn't yet become a model state. The LF

must undertake serious introspection and return to a strongly pro-people, inclusive orientation if it's to become one.

Regrettably, the LF leadership's priorities seem to have turned elitist. It now obsessively promotes industrialisation at any cost, at the expense of peasants and workers. It has set its mind upon projects like the Singur car factory and Special Economic Zones.

The results became brutally evident in the firing in March on SEZ protestors at Nandigram. This grievous blunder betrayed the Front's own core-constituency. No argument about "provocation," or a "conspiracy" between the Right and the Extreme Left, can justify the gunning down of 14 peasants.

Unfortunately, the leadership of the LF, in particular the CPM, has not learnt any lessons. The Nandigram victims have been given no compensation. No major CPM leader has visited Nandigram.

On the 30th anniversary, many Front leaders spoke the same language of GDP growth that they (rightly) criticise the Congress for. Most stressed that West Bengal has the highest growth rate (8.55 per cent) of all states. Worse, they ruled out rethinking on neo-liberal industrialisation.

Chief Minister Bhattacharjee said: "There is no turning back from industries..." Even CPM general secretary Prakash Karat said: "[W]e have to adopt industrialisation..." Industrialisation cannot be achieved without the

help of capitalists like the Tatas." However, CPI general secretary A.B. Bardhan was cautious: "Industrial development is necessary. But... the ways to do it should be worked out."

Is there no alternative to private capital-led industrialisation? Prabhat Patnaik, the CPM's pre-eminent economist, strongly counters this. He argues: "When the Tatas or the Ambanis invest, they do so not out of their savings: they obtain finance from various institutions... The public sector can do exactly the same..."

However, leave alone undertake investment, the LF refuses to regulate industrialisation in the public interest. It's zealously wooing all manner of businessmen, including the Salim group linked to Indonesia's super-corrupt Suharto family.

This approach threatens to weaken the LF's greatest collective strength: unity and ideological cohesion. It could erode the Left's support among workers and peasants and eventually turn it into an elitist, social democratic entity favoured by the middle classes.

That cannot give the Left a viable and relevant future. If the LF wants to build on its achievements, overcome its flaws, and offer an alternative radical vision for society, it must correct course -- urgently and sincerely.

Praful Bidwai is an eminent Indian columnist.

Wiping out the forests



ANM NURUL HAQUE

THE extent of corruption that had gripped the country's forest department was beyond our imagination even a month ago. The all-pervading corruption that devoured our forest resources came to light only after the arrest of the chief conservator of forests (CCF) Osman Gani, with Tk one crore in cash that he had hidden in some unusual places in his house.

The army-led joint forces raided CCF's house at Uttara on May 29, and found the money hidden inside a rice drum in the kitchen, and inside a pillow and a mattress. The joint forces had information that the CCF had a lot of money hidden in his house. The

BY THE NUMBERS

It beggars the imagination to think of the amount of money some top level officials of the forest department had earned during the tenure of the immediate past government. In fact, they turned the forests into their private fiefdom, for plundering all its wealth. Their plundering knew no limits. All the corrupt forest bosses and other beneficiaries, who are mostly former ministers and high-ups, must be brought to book, and their ill-gotten wealth should be confiscated.

CCF reportedly admitted to owning of 15 katas of land in the city, and five more plots in Uttara under an alias, besides keeping a huge amount of money in banks and gold in lockers.

The CCF reportedly confessed to receiving monthly payments of Tk five lakh each from the divisional forest officers (DFOs), as his percentage of their illegal monthly income. He also confessed to paying a sum of Tk 80 lakh to Khaleda Zia, the former prime minister, and Tariqul Islam, the former environment and forest minister, for his promotion to CCF.

Osman Gani also confessed to his involvement in the felling of trees and providing tenders to parties, and

leasing forest land illegally, in exchange of bribes. He admitted to giving deer and other wild animals to some ministers of the immediate past government in order to gain their favour.

The joint forces arrested the DFOs of Chittagong and Sylhet on June 25, as crackdown on corrupt forest department high-ups continues. The forces also searched the offices of another DFO and of the chief of Wildlife Management and Nature Conservation Department of Chittagong. The forces seized nearly Tk 13 lakh kept in a cupboard and a bag in the chamber of a deputy ranger of the Sadar Range in

Chittagong.

The government has suspended eight top-level forest officials as their names had appeared in the list of corrupt government officials, prepared by the joint forces, based on the information divulged by detained CCF. Four of the suspended officials had been arrested on June 24. They were on the list of suspected corrupt top-level officials who allegedly plundered the forest resources.

The accomplices of Osman Gani reportedly confessed to their involvement in amassing huge amounts of money and property by selling trees, transferring officials, and leasing forestland illegally. The DFO of

Sylhet, Lasker Maksudur Rahman, accumulated wealth worth about Tk six crore.

The CF of Khulna Division, Mizanur Rahman, reportedly confessed to owing a house in England and huge landed property in Dhaka. Mizan has also admitted to depositing several crores of Taka, and having bank accounts, in some foreign countries.

The joint forces seized bonds worth Tk 50 lakh, and deposit books of different banks, from the residence of Ali Kabir Haider, the CF of Dhaka Division. He owns a five-storied building and three plots in city.

The joint forces have searched several places to arrest Abu Hanif Patwari, a dismissed DFO of forest department who had amassed huge wealth through corruption. He owns flats in Dhanmondi and New Paltan, and a one bigha plot in Baridhara. Besides, he has got lakhs of Taka deposited in different banks.

The investigative report carried by the Daily Star on June 5 revealed some home truths about the plundering of our forest resources by a section of corrupt forest officials. The

report entitled "Insatiable greed wipes out a reserved forest" said: "A total of 2,415 acres of the reserved forest, which was supposed to grow into a lush habitat for many kinds of wild life in the last 21 years since 1984, is now totally destroyed due to rampant illegal felling of trees by loggers under the safe shelter of the officials of Divisional Forest Office (DFO) and Panchhari Range Office. Local forest officials of all levels directly helped the loggers to plunder the forest in exchange for hefty sums of bribes, making sure that they would not go out into the forest for routine inspections and monitoring, but they did not hesitate to misappropriate allocated government funds for the purpose, sources said."

Wiping out of the forest is also being done through grabbing the forestland. Forestland grabbing was so rampant, and carried on with such impunity, that it was almost ceased to be a cognizable offence.

According to a forest department report, former state minister Mizanur Rahman Sinha, former BNP lawmaker MA Hashem, FBCCI president Abdul Awal Mintoo, and others, have

illegally occupied 558 acres of forestland long Dhaka-Mymensingh highway.

The detained CCF Osman Gani has informed the interrogators that former ministers, MPs and political bigwigs have illegally occupied nearly 2,50,000 acres of forestland with the help of top level forest officials. Lack of proper implementation of laws, and unbridled corruption in the forest department, have allowed the land grabbers go away scot-free.

According to government statistics, the area under forestation in the country is less than 10 percent of the total land area, while the required standard set for any country is 25 percent for maintaining proper environment. Bangladesh is facing numerous environmental hazards due to wiping out of forests.

Deforestation has taken place at such an increasing rate that it has threatened the ecological balance of the country. Large-scale deforestation has endangered many species of wildlife. The recent landslide tragedy in Chittagong, which claimed 123 lives, was also an outcome of felling trees, as the trees hold the soil

firmly. The more forests we lose, the more we shall face environmental catastrophe.

A forest is an important natural resource that contributes much to maintaining ecological balance. Unfortunately, the people who were made custodians of such valuable national resources were involved in massive plundering of forests. Osman Gani has disclosed the names of 34 top-level officials who were involved in all sorts of looting of forest resources and accumulated cores of Taka.

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In fact, they turned the forests into their private fiefdom, for plundering all its wealth. Their plundering knew no limits. All the corrupt forest bosses and other beneficiaries, who are mostly former ministers and high-ups, must be brought to book, and their ill-gotten wealth should be confiscated.

Anm Nurul Haque is a columnist of The Daily Star.